

**TESTIMONY OF
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STAMFORD HEALTH
SUBMITTED TO THE
INSURANCE AND REAL ESTATE COMMITTEE
Tuesday, February 21, 2023**

HB 6620, An Act Promoting Competition In Contracts Between Health Carriers And Health Care Providers and SB 983, An Act Limiting Anticompetitive Health Care Practices

Good afternoon. Stamford Health appreciates the opportunity to submit testimony in opposition to **HB 6620, An Act Promoting Competition In Contracts Between Health Carriers And Health Care Providers and SB 983, An Act Limiting Anticompetitive Health Care Practices.**

Stamford Health is a comprehensive, independent non-profit health care system that serves Lower Fairfield and Westchester counties. We employ more than 3,800 people, making us the largest employer in the city of Stamford and one of the largest in Fairfield County. Beyond the lifesaving care we provide 24 hours a day, 365 days a year, we contribute more than \$1 billion to our state and local economy and provide more than \$106 million in uncompensated care to the residents that need it most. We are committed to providing friendly, personal care coupled with the most sophisticated services to all residents of lower Fairfield County.

HB 6620 and sections 1 and 2 of SB 983 ban certain clauses in commercial contracts between providers such as hospitals, payers and third party administrators. Section 3 of SB 983 has provisions duplicative of state and federal laws concerning out-of-network costs.

Stamford Health appreciates the interest of many stakeholders, including hospitals, in making health care more affordable for patients. We have been at the table working with stakeholders since the Governor issued his cost growth benchmark executive order in 2020. Our specific concerns with HB 6620 and SB 983 are as follows:

Interference with Private Party Contracts: Overall, Stamford Health strongly opposes House Bill 6620 and SB 983 as they both insert the state, by statute, into the contractual proceedings of sophisticated, private parties. These private negotiations take into consideration many factors that are myriad, often fluid, and impacted by many market factors. Regulating the contracts by statute will set a bad precedent and have many unintended consequences that the legislature will be asked to fix frequently.

The proposed elimination of the specified contract clauses would provide a significant advantage to insurers in health care contract negotiations. We urge the Committee to reject the proposals as (1) an intrusion into private entity contracting processes and (2) enormously advantaging the insurance industry over hospitals. We note that there is no tie-in between the bills' proposed bans of contract clauses and lower costs for patients.

Out-of-network costs have been handled by federal and state “no surprises” laws:

Section 3 of SB 983 is duplicative of existing state and federal law. In 2015, the Connecticut General Assembly took action to limit the medical bills fully insured patients were receiving due to out-of-network care. In 2022, the federal No Surprises Act accomplished the same for patients enrolled in self-funded plans. SB 983 would upend an issue that Connecticut and the federal government have already successfully addressed.

Purpose of barring “gag clauses” is unclear: Stamford Health does not use gag clauses in its contracts. However, we question why the legislature and Governor are proposing to ban this particular clause because federal transparency and No Surprises Act rules make all of the information covered by the bill's definition of a gag clause public and available on hospital websites or by scheduling care.

We urge rejection of these bills: Unfortunately, the effect of SB 983 is to favor national health insurance companies over Connecticut's community hospitals in commercial contract negotiations. Preserving the ability of hospitals to use the contractual clauses that these bills would ban will ultimately ensure that physicians are making medical decisions with their patients and guiding their care rather than payers.

We ask that you reject these bills. Thank you for your consideration of our position.

Kathleen Silard
President & CEO